



State of New Hampshire
State Government Energy Committee



Meeting Summary Notes
Committee Meeting

Monday, June 10, 2019
2:00 to 4:00 PM

Conference Room
NHDOT
7 Hazen Drive, Concord, NH

Attendees:

Co-Chairs: Jared Chicoine, Office of Strategic Initiatives and Bob Scott, New Hampshire Department of Environmental Services

SGEC Members: Bill Cass (Dept. of Transportation); Heather Fairchild (For David Clapp, Dept. of Health & Human Services); Karen Cramton (Public Utilities Commission); Steven Lavoie (Dept. of Safety); Warren Perry (Adjutant General's Department); Karen Rantamaki (Dept. of Admin Services); Seth Prescott (Dept. of Nat. and & Cult. Resources); and Jon Hanson (Dept. of Corrections).

Staff: Tara Merrifield (Dept. of Admin Services); Donnie Perrin (Dept. of Admin Services); Chris Moore (Dept. of Admin Services); Chris Skoglund (Dept. of Environmental Services); Alexis Labrie (Office of Strategic Initiative); and Elizabeth Strachan (Dept. of Environmental Services).

Meeting Agenda:

- 1. Welcome & Introductions** –*SGEC Co-Chair Jared Chicoine, OSI*
- 2. Approval of Summary Notes from March 11, 2019**

Passed with no discussion or objections. Donnie Perrin abstained.

3. Annual State Energy Conference Review

Alexis Labrie updated the committee on the Annual State Energy Conference held on May 10th at the Edward Cross Training Complex in Pembroke, NH. Overall the conference was well attended and most of the attendees reported a positive experience. It was noted that many participants commented on the quality of the location, specifically the energy efficiency measures implemented throughout the building. During the update, the committee discussed how to get attendees to stay for the whole day, as well as the benefit to bringing in additional outside experts to for the breakout sessions. The SGEC also discussed whether it would be easier if the event was moved to the fall, and whether to hold the event on alternate years. may be a good idea as well.

SGEC Potential Ideas and Observations:

- The extended downtime in between sessions may have been a deterrent for people to stay, so have 1) the awards at lunchtime and 2) shorter breaks.
- Adjusting the timeframe to hold the conference in the fall when the executive council and legislation are more likely to attend and see what state employees are doing is a great idea.
- A half day may be a nice option or alternating between a full day one year and a half day the following year.
- Friday's may be difficult and may cause people to leave after lunch, especially if the weather is nice. A fall event would allow all days of the week to be open as the legislature would not be in session).
- If the conference were held every other year starting in 2020 it would always coincide with an election year and would also be opposite the budget year.

4. Additional RECs Calculations

Elizabeth Strachan presented calculations completed in response to a question at the last SGEC meeting when the staff was asked what selling renewable energy certificates (RECs) would do to the progress toward the state goal of reducing fossil fuel energy use intensity (EUI) by 30 percent by 2020 compared to the baseline year of 2005. Since a REC represents the renewable attribute of the energy produced, if the state were to register and sell the RECs from its solar and biomass facilities, it would no longer be able to count that energy produced as renewable. It was noted that that the 2018 annual report shows a 25.8 percent reduction in fossil fuel EUI since the baseline. When the data used to support the report was changed so that energy produced by solar and woodchips (potential sources of RECs) were identified it as non-renewable, the reduction was only 17 percent. She then stated that there is the opportunity for the State to sell the compliance RECs and then purchase less expensive voluntary RECs to gain back the renewable attribute, which is called arbitrage. It was also noted that the potential net revenue selling the RECs of approximately \$150,000 per year. This net revenue takes into account the annual costs associated with registering and selling RECs, as well as the cost for purchasing voluntary RECs to maintain the State's goals.

Discussion:

A committee member stated that based on this data, the State should be selling the RECs. There was a discussion about where the revenue should go and included funds going to the energy fund, agencies future operational costs, or some percentage of the two. Someone asked if it would be difficult to track which facility (and therefore agency) the RECs being sold were coming from. Someone else responded that the facilities are metered separately by independent monitors to make sure the compliance RECs are being produced, so it would be fairly easy to track. A committee member stated that the compliance REC market is based on a current policy which can change and may not stay consistent or may even go away at some point. There was a discussion as to if the state would be legally able to purchase the compliance RECs. A committee member stated it was getting close to the time when legislation concerning the selling of RECs would need to be discussed.

5. Fossil Fuel Energy Use Intensity Reduction Goals FY 2018

Donnie Perrin reported on the fossil fuel EUI reduction goals in the 2018 Annual Energy Report as well as the EUI info for each agency. During the latter discussion, it was noted that each agency differed due not only to energy management efforts, as well as the building type (*e.g.*, office, lab, hospital, prison).

For the Energy Report, it was noted that, due to revisions to the FY 2018 data and conversion of building heat in downtown Concord from steam to natural gas, the reported reduction in fossil fuel EUI for FY 2018 (revised) and FY 2019 will be less than in years previous. The correction to the data from FY 2018 alone show that the reduction was closer to 21 percent than the reported 25.8 percent.

Discussion:

- An SGEC member stated that a report that presented the reductions over time would be interesting as it may point to projects that assisted in the reduction. Staff noted that if the project was done under an energy service performance contract then the energy savings calculations are already done and are readily available.
- Another member asked if there were benchmarks for types of buildings to compare the EUIs to and Donnie said that he has worked to find typical EUIs for varying types of buildings and that the performance metrics are available in a report from the database.

6. Proposed Potential Legislative Language

Chris Skoglund presented on changes to legislative language that would amend state government energy policy to include renewable energy and beneficial electrification; enable revenue from RECs to go into the Energy Fund; and update energy savings performance contracts (ESPC) policy to allow for purchase power agreements (PPAs).

Discussion:

- A member of the committee asked if the use of the term cost-effective referred to the Public Utility Commission's (PUC) defined term. Staff explained that was not the intent and would revisit the wording.
- There was a discussion concerning whether the inclusion of renewable energy and beneficial electrification would limit potential future technologies and perhaps broader terms of the phrase "not limited to" could be used.
- When discussing the ESPC policy it was asked if 20-years is still a good industry standard or if it needs to be expanded. Staff said they would look into this.
- Another member indicated that it should be clarified that PPAs can only be entered into after a competitive bid.

The SGEC decided to hold an August meeting to further discuss the legislative language in preparation for obtaining a sponsor for potential bills in the next session. The date will be determined after a poll of availability and the Department of Safety volunteered to host the meeting.

7. Updates

a. **State Energy Manger**

Donnie presented a handout for updates

b. **Legislative Update**

A handout provided the legislative update

Next Meeting: August with date to be determined